

March 2002

Leadership for a Healthy California

A Strategic Plan for the

California Department of Health Services

Gray Davis, Governor

Grantland Johnson, Secretary
California Health and Human Services Agency

Diana M. Bontá, R.N., Dr. P.H., Director California Department of Health Services



Letter from the Director

It is my pleasure to share with you our fiscal year 2001-2005 strategic plan, entitled "Leadership for a Healthy California: A Strategic Plan for the California Department of Health Services". As we prepare to meet the current fiscal challenges of the State's budget, it becomes increasingly more important that we focus our resources and work cooperatively with our partners to maximize our efforts. Through this plan the Department renews its commitment to protect and improve the health of all Californians.

While specific programmatic and administrative issues may not be detailed, we believe that this strategic plan is broad enough to capture the interest of all of the Department's programmatic and administrative issues. Each "key issue" identified has the potential to be expanded based on changes in our internal and external environment. Further, this design will encourage the Department to continue to develop an integrated approach in its service to the people and communities of California.

Because we value the perspective of our partners at the State and local level, we convened sessions with our stakeholders and key county health and administrative leaders to obtain their input into the development of this plan. Also, recognizing that our employees are our greatest resource, our strategic plan was developed through a process that engaged our staff and senior managers through surveys and focus groups. We contacted key state and federal government leaders in healthcare as well to aid in our formulation of this plan.

I would like to personally thank all of you that contributed your valuable time. Without your comments and suggestions the creation of this strategic plan would not have been possible. Through our internal and external partnerships we will continue to build on our success and overcome the challenges of today and the future. I look forward to working with all of you as we prepare to embark on our journey to implement our strategic plan and reach our goals for the future.

Diana M. Bontá, R.N., Dr.P.H. Director California Department of Health Services

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The CDHS Mission

The mission of the California Department of Health Services (CDHS) is to protect and improve the health of all Californians.

The CDHS Values

The California Department of Health Services values —

- Its clients and the beneficiaries of the service it provides.
- Its employees and investment in their growth and training.
- Leadership and excellence in the field of public health and medical care services.
- Commitment to public service.
- Diversity, equality of opportunity, and cultural competency as essential parts of everything that we do.
- Prevention and access as the cornerstones of maintaining and enhancing health.
- Its partners and collaborative relationships in improving the health of all Californians.
- Good science and analysis which are critical to establishing and implementing effective policies and programs.
- The statutes, laws and regulations that establish its functions.

The CDHS Vision

In 2005, the California Department of Health Services will work to:

- Ensure that all Californians have access to high quality health care, experience low levels of preventable diseases and disabilities, and enjoy optimal levels of health and well-being.
- Have a valued and expert work force committed to continually improving the quality of services the CDHS provides.
- Be recognized as the authority on patient care, prevention and public health dedicated to public awareness of the CDHS programs and services.
 - Be a technical leader in sound scientific investigation and inquiry, application processes that are easily accessible to all Californians, data analysis and planning, communication and dissemination of data and employee support systems.



- Be a steward dedicated to improved public access, fiscal integrity, accountability of programs and services.
- Be a national leader and model for how a state health department should implement programs and technology.

The CDHS Key Issues

Over the last 12 months, the California Department of Health Services (CDHS) has been involved in a strategic planning process to define its course for the next five years. In developing this plan, the CDHS' objective was to produce a strategic plan for executives, managers, staff and partners that would respond to current and future challenges and opportunities. As a result of its inclusive strategic planning process, the CDHS was able to identify several priority areas to focus on over the next five years:

- Optimize State and Local Public Health Capacity. The provision of public health services is an interdependent responsibility shared by the state and local health jurisdictions. As the population of California increases in size and diversity, the CDHS remains committed to ensuring that its partners have the level of leadership and technical support they require to deliver the highest quality public health, environmental health and medical care available to all Californians. Over the next five years, the CDHS will facilitate the growth of State and local public health capacity by increasing the resources and effectiveness of programs and services and leveraging partnership opportunities at the State and local levels.
- Improve Coverage and Access. The CDHS recognizes that
 despite several successful initiatives to increase access to
 health insurance and to increase the types of coverage
 available, many Californians remain uninsured or
 underinsured. Over the next five years, the CDHS will



improve coverage and access for Californians that are eligible for low-cost and no-cost quality health insurance.

- Improve Health Status and Outcomes. The CDHS recognizes its role to set aggressive health goals for the State and to monitor progress in meeting both State and national objectives. Over the next five years, the CDHS will provide the data, analysis, technical assistance and leadership. This will be done by identifying and addressing health disparities among California's diverse populations.
- Foster Integrated Service Delivery. As the CDHS continues
 to strive to effectively and efficiently serve the people of
 California, it recognizes the importance of streamlining and
 coordinating its programs and administrative functions.
 Over the next five years, the CDHS will continue to simplify
 and integrate program eligibility processes, improve other
 administrative functions and information for Californians
 served by its programs.
- Develop and Cultivate the CDHS Employee Capability to Fulfill the CDHS Mission. Like many other State agencies, the CDHS has experienced employee turnover due to retirements and the attraction of the private sector. Over the next five years, the CDHS will continuously invest in its workforce through active recruitment to attract the highest quality staff. It will also invest in comprehensive training

programs to ensure their leading-edge knowledge and performance.

• Improve Business Practices. The CDHS is committed to ensuring that the people of California receive the highest quality of service at the least cost by using resources effectively, reducing incidences of fraud and responding promptly and appropriately to internal and external customer needs. Over the next five years, the CDHS will create an atmosphere within the Department of providing superior service, mutual respect and continuous process improvement of all aspects of the Department.

The 2001-2005 strategic plan outlines the CDHS' organizational approach to ensuring that its energies and resources are focused on addressing these six key issues.



Leadership for a Healthy California:

Overview of the CDHS

The California Department of Health Services is under the California Health and Human Services Agency (CHHSA). The CHHSA administers state and federal programs for health care, social services, public assistance, job training, and rehabilitation. The responsibility for administering the major programs, which provide direct services to millions of Californians, is divided among the Health and Human Services Agency's 15 boards and departments.

The CHHSA's vision is that all Californians—especially those most at risk or in need—are provided opportunities to enjoy a high quality of life as measured by:

- Sound physical, mental, and financial health of children, adolescents, and adults.
- Strong and capable families.
- Safe and sustainable communities.
- Dignity for all individuals.

The CHHSA is a leader in promoting collaboration, innovation, and service integration, particularly in health care.

Health is a critical part of the daily lives of all Californians. It directly affects our quality of life, how we feel about ourselves, and how the environment affects us. A mother in Los Angeles wonders whether a vaccination is safe for her child. A farm worker in Fresno has no access to insurance. A school administrator in Oakland wonders how to respond to a measles outbreak. A city official in Redding is concerned about the quality of the local drinking water.

California depends on the CDHS to address these issues, along with hundreds more just like them. Part of the California Health and Human Services Agency, the CDHS is one of the largest departments in State government, with over 5,000 employees working in its Sacramento headquarters and over 60 field offices throughout the State.

As part of its mandate, the CDHS administers a broad range of public and clinical health programs that



provide health care services to Californians. The CDHS services are administered through the following organizational areas:

- Administration
- Audits and Investigations
- · Health Information and Strategic Planning
- Information Technology Services
- Legislative and Governmental Affairs
- Licensing and Certification
- Medical Care Services
- Medi-Cal Fraud Prevention Bureau
- Office of Civil Rights
- Office of Legal Services
- Office of Long-Term Care
- Office of Multicultural Health
- Office of Public Affairs
- Office of Women's Health
- Prevention Services
- Primary Care and Family Health

A high level overview of the responsibilities and functions of each organizational area can be found in Appendix A.

In the administration of its programs, the CDHS frequently partners with other state departments, state agencies, hospitals, clinics, health plans, local health jurisdictions and community-based organizations. Without these partnerships, the CDHS would be unable to meet its mission in a state as vast as California. The CDHS recognizes the integral role of its partners in delivering high-quality programs and protecting the health of the public. It has made it a priority to foster excellent working relationships by promoting open communication, collaboration, problem-solving, and strong partnerships.



Leadership for a Healthy California:

The Strategic Planning Process

In developing this plan, the CDHS' objective was to produce a strategic plan for the CDHS' executives, managers, staff and partners to use as a guide during State fiscal years 2001 to 2005. The CDHS has a long-standing practice of formulating and adopting strategic plans, the last one being produced in 1994 and revised in subsequent years.

An emphasis of the current effort has been to work with staff and external stakeholders to identify the internal and external trends and California-wide needs that will underpin the new plan. This information was analyzed, distilled and presented to the CDHS Executive Team to assist them as they focused their thinking on key issues and new strategies.

In developing the fiscal years 2001-2005 strategic plan, the CDHS oversaw the following activities to ensure a comprehensive and inclusive process:

- Interviews with each member of the Executive Team.
- Survey of employees Department-wide.
- Survey of other departments within the California Health and Human Services Agency.
- Employee focus groups in Los Angeles, Fresno, Oakland, Berkeley and Sacramento.
- Focus group with local health agencies.
- Interviews of key State and local governmental leaders.
- Interviews of representatives of community-based organizations in Los Angeles, Fresno and San Francisco.
- Three planning workshops with the Executive Team.
- Eleven workshops with the CDHS organizational areas.



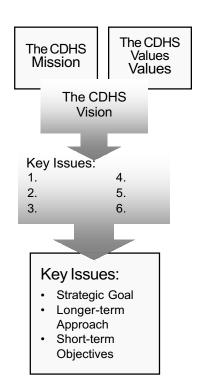
Overall Structure of the Plan

n an effort to ensure that the planning process culminated in a plan that would effectively address the critical issues facing the organization and the state of California as a whole, the CDHS strategic plan has been developed using a formalized approach. Using its assessment of current strengths and weaknesses and future challenges as a base, the CDHS used a rigorous methodology that included the following components:

- Mission and Values. The basis of the strategic plan is the
 organization's mission and values. The strategy of the
 organization must be consistent with these guiding elements. In addition, the plan is underpinned by the specific
 mission-related needs that exist generally in California and
 more specifically among the CDHS partners.
- *Vision*. The vision is a statement of where the CDHS wants to be and what it wants to look like at the end of the five-year strategic plan, given the needs of the State, and the mission of the organization.
- *Key Issues*. Key issues are those significant challenges facing the organization or its partners that it must overcome if it will achieve its vision over the five-year period.
- *Strategic Goals*. Strategic goals are outcome-oriented statements that describe what needs to be done in each of the key issue areas.
- Longer-term Approach. This describes the general approach the CDHS must take that would lead to achieving its strategic goals. For each strategic goal there may be one or several approaches.
- Short-term Objectives. Short-term objectives are statements that focus energies and accountability in the near term, and help to meet the strategic goals.

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Leadership for a Healthy California:

Key Issues

Key Issues

uring the strategic planning process, the CDHS identified six key strategic issues facing the organization:

Key Issue One — Optimize State and Local Public Health Capacity

Key Issue Two — Improve Coverage and Access

Key Issue Three — Improve Health Status and Outcomes

Key Issue Four — Foster Integrated Service Delivery

Key Issue Five — Develop and Cultivate the CDHS Employee Capability to Fulfill the CDHS Mission

Key Issue Six — Improve Business Practices

In the pages that follow, the CDHS will outline its five-year approach to addressing each of these key issues. These approaches have been specifically designed to ensure that the CDHS will be able to successfully achieve its vision for California in 2005.



Leadership for a Healthy California: Addressing the Key Issues

Key Issue One — Optimize State and Local Public Health Capacity

The provision of public health services is an interdependent responsibility shared by the State and local health jurisdictions, i.e., county and city health departments or agencies. Both levels of public health departments face daunting challenges as we enter the 21st Century: emerging infectious diseases, the threat of bioterrorism, high morbidity rates linked to preventable chronic disease and injury, a graying population, millions of uninsured residents and a lack of general understanding by the public about the role public health services plays in their lives. To address these issues, the CDHS must expand State and local

public health capacity by focusing on several areas of concern:

- The categorical nature of most public health programs often serves as a barrier to cost-efficiency, program integration and coordination, effective communication, client-friendly services, and general program success.
- The serious shortages in the public health workforce, most notably registered nurses (including public health nurses), public health microbiologists, epidemiologists, nutritionists, and health educators.
- The deteriorating public health infrastructure, including old local public health facilities that are overcrowded, technologically outdated, and unable to meet the current public health service demands and requirements.
- The lack of information technology resources and applications to promote client-friendly services, cost- and time-efficiencies and general communication.
- The lack of understanding and support by the general public of the role of population-based public health in keeping California healthy.

Strategic Goals: Over the next five years, the CDHS will expand State and local public health capacity by:

- Cultivating a public health workforce that is adequate in number, appropriately trained and culturally competent, and maximizing opportunities to encourage public health careers and staff retention on both the State and local levels.
- Seeking appropriate, stable, and flexible funding dedicated to core public health functions (essential services).
- Facilitating the construction or reconstruction of adequate, safe, efficient, and client-friendly public health facilities.
- Enhancing programs, services, and communications with current and emerging technology that can be shared between the state and local levels.
- Seeking opportunities to consolidate, coordinate, and integrate programs and services.
- Promoting public health awareness and practices among the general public.



Longer-term Approach: Over the next five years, the Department will accomplish its strategic goals by:

- Working closely with county/city health organizations, individual public health departments, public health advocacy groups and academia.
- Enhancing coordination and communication with other departments, boards and commissions that share common target populations, programs or missions.
- Utilizing available federal monetary and professional resources.
- Cooperating with federal, State and local public health agencies to integrate and consolidate health surveillance, data collection and communication systems.
- Promoting the full utilization of the allied and auxiliary public health workforce.
- Encouraging regional approaches to public health programs by facilitating shared services and pooled resources among health jurisdictions.
- Developing means to generate local and State systems to finance facility, equipment and information technology improvements.

Short-term Objectives: To meet this five-year strategic goal, in the short-term, CDHS will accomplish the following objectives:

- Support the expanded use of the local public health department capacity assessment tool.
- Continue to work with county/city health organizations on a mutually acceptable annual public health expenditure report for the collection of basic workforce and fiscal data.
- Make maximum use at the State and local level of data generated by the California Health Interview Survey (CHIS).
- Monitor the implementation of the Frist-Kennedy "Public Health Threats and Emergencies Act of 2000" and its impact on California's public health departments.
- Support current public health program integration/consolidation/simplification efforts.

"The significant strides we've made in protecting the health of Californians are paying off. We're addressing everyday health problems with creative and innovative solutions and working continuously to improve our public health infrastructure so that all Californians can benefit from our programs and services."

—**Diana Bontá** Director, CDHS

Key Issue Two — Improve Coverage and Access

The CDHS is committed to increasing the number of Californians who have access to low-cost or no-cost high-quality health care. To address this issue effectively, the CDHS will have to focus on several areas of concern, including:

- The number of Californians who are uninsured or underinsured.
- The increasing cultural diversity of the population.
- The quality of educational information about health insurance options.
- The effectiveness of the CDHS' outreach initiatives.
- The viability of the health care "safety net" hospitals, clinics and physicians who care for uninsured Californians, regardless of their ability to pay.
- The limited availability of providers in some regions of the State.
- The limited availability of providers in specific specialty areas.

Strategic Goal: The CDHS will improve coverage and access by focusing its efforts on removing barriers to access, supporting the health care "safety net," and increasing the overall quality of care provided to Californians served by its health programs.

Longer-term Approach: Over the next five years, the Department will accomplish this strategic goal by:

- Instituting comprehensive quality of care standards for all program areas where such standards are appropriate.
- Establishing and sustaining collaborative partnerships with state and local, public and private agencies providing clinical care services.
- Evaluating eligibility criteria to identify and remove systemic barriers to access.
- Within budgetary constraints, developing opportunities to expand eligibility criteria and program benefits.



Short-term Objectives: To meet its five-year strategic goal, in the short-term, the CDHS will accomplish the following objectives:

- Develop a strategy to implement quality of care standards throughout the CDHS.
- Identify program requirements (e.g. licensing requirements, request for proposal, eligibility, grants, etc.) that present barriers to access.
- Expand timely access to specialty care through Medi-Cal managed care plans.
- Access the multi-cultural media establishment proactively to publish items such as guest articles, letters, and public service announcements.

Key Issue Three — Improve Health Status and Outcomes

The CDHS recognizes its role to set aggressive health goals for the State and to monitor progress in meeting both State and national objectives. To effectively address this issue, the CDHS will focus on ensuring the availability of quality data and analysis regarding:

- The rate of preventable disease and disabilities.
- Health disparities across gender, racial, ethnic, and geographic lines.

Strategic Goal: The CDHS will improve health status and outcomes by improving its data analysis capabilities to identify those populations most at risk. The CDHS will use these data as the basis for identifying resources and developing policies targeted at increasing health status and outcomes across California's population.

Longer-term Approach: Over the next five years, the Department will accomplish this strategic goal by:

 Developing a comprehensive strategy for reducing the burden of preventable diseases, injuries, and disabilities. The



Addressing the Key Issues, continued

strategy will include the identification of resources, interventions, policies, and data needed to achieve significant increases in longevity, quality of life, and well being.

- Producing various reports and data systems documenting progress in achieving the Healthy California 2010 Objectives.
- Improving the availability of population-based health data by expanding the use of alternative distribution technologies, including the Internet.
- Implementing its monitoring and evaluation plans to document the outcomes and benefits of its health programs.

Short-term Objectives: To meet its five-year strategic goal, in the short-term, the CDHS will accomplish the following objectives:

- Develop a comprehensive health promotion initiative focusing on preventable diseases, injuries, and disabilities. The initiative may include resources for additional data collection, disease control and risk reduction programs, and enhanced epidemiologic and data analysis.
- Adopt, in collaboration with local health departments and other stakeholders, a set of Healthy California 2010 objectives, addressing racial and ethnic health disparities and setting specific objectives to be attained for the general population.
- Issue a final assessment on California's progress in meeting the Healthy People 2000 Objectives.
- Integrate clinical preventive medical services, health promotion, and disease prevention standards within the Medi-Cal Program and other departmental health programs, with special emphasis on addressing health disparities in access and service delivery patterns.
- Develop an evaluation plan to document the outcomes of its public health and personal health service delivery programs.

Key Issue Four — Foster Integrated Services Delivery

As the CDHS continues to strive to effectively and efficiently serve the people of California, it recognizes the importance of streamlining and coordinating its programs. To ensure that it is continuously improving service delivery, the CDHS will focus on several areas, including:

- Increased provision of comprehensive, coordinated, and integrated programs.
- Reduction of duplication of services.
- Increased collaboration across programs.

Strategic Goals: The CDHS will foster integrated comprehensive and coordinated services to the public, local health jurisdictions, community-based organizations (CBOs) and our other partners and customers. This will be done by ensuring easy access to information and referral, integrating funding streams where possible, and streamlining and simplifying partner interaction with the CDHS. Increased beneficiary access to care and measurable improvements in customer service and health outcomes will occur through coordinated and comprehensive systems emphasizing prevention and primary care.

Longer-term Approach: Over the next five years, the Department will accomplish these strategic goals by continuing and expanding its efforts to simplify program business processes, allowing flexibility under the law and applying appropriate technology to processing transactions through:

- Developing an integrated approach to funding and services that minimizes the burden on those requesting services and/ or funding.
- Increasing its internal coordination in all areas including data and information.
- Improving its organization of existing programs to eliminate duplication and make them more accessible.



Addressing the Key Issues, continued

- Continuing to explore options for streamlining application and enrollment processes for Medi-Cal and the Healthy Families program through coordination with other programs such as Women, Infant and Children, Child Health and Disability Prevention, Food Stamps and others.
- Streamlining and simplifying the request for application (RFA) processes for awarding funds to local health jurisdictions and CBOs for provision of services to the public.
- Developing a multi-program benefit card for clients to make services more accessible and available.
- Improving and expanding external entities access to the CDHS' health education materials, information, and services through web-based technologies.
- Implementing a set of data elements that constitute a unique patient identifier for clients served by all the CDHS programs.
 Ensure uniform collection of the patient identifier data elements.

Short-term Objectives: To meet its five-year strategic goals, in the short-term, the CDHS will accomplish the following objectives:

- Establish an RFA working group to improve, standardize and document RFA procedures for Primary Care and Family Health programs.
- Develop a web-based inventory of the CDHS health education materials accessible through the CDHS intranet and accessible to the public via the Internet.
- Improve delivery of services to the public by implementing a common planning process and unified contract, reporting, and billing system for our partners (e.g., local health jurisdictions, CBOs). The Deputy Directors of Prevention Services, Primary Care and Family Health, and Administration will complete the pilot project to streamline administrative processes (e.g., contracting, reporting, billing).

Key Issue Five — Develop and Cultivate the CDHS Employee Capability to Fulfill the CDHS Mission

The CDHS recognizes the importance of continuously investing in its employees through active recruitment to attract the highest quality staff and through comprehensive training and employee support programs to ensure their leading-edge knowledge and performance. To effectively address this issue, the CDHS will have to focus on several areas, including:

- Staff training.
- Employee morale.
- Staffing levels.

Strategic Goals: CDHS will develop and cultivate its staff capability by increasing its effectiveness at recruitment, decreasing its vacancy rates, and increasing the skill level and competence of staff at all levels.

Longer-term Approach: Over the next five years, the Department will accomplish these strategic goals by:

- Investing in training for all staff.
- Revising testing processes to improve recruitment at all levels of the organization.
- Removing career advancement barriers in specific classification series.
- Establishing salary equity for professional and scientific classes.
- Developing methods to recognize and reward employee performance and productivity.

Short-term Objectives: To meet its five-year strategic goals, in the short-term, the CDHS will accomplish the following objectives:

 Develop a centralized training information database for professional and support classes and make that database available over the Internet.



Addressing the Key Issues, continued

- Develop a system to ensure that individualized training plans based on performance evaluations are completed for all staff on an annual basis.
- Develop a management/leadership training program that defines recommended training for management and supervisory positions.
- Establish a department-wide training tracking mechanism.
- Complete an external consultant review of private industry, public university, and federal personnel compensation and practices for scientific classifications.
- Review the Cooperative Personnel Services Study and other personnel studies to determine which recommendations can be implemented and implement them.

Key Issue Six — Improve Business Practices

The CDHS is committed to improving its business processes to ensure that the people of California receive the highest quality of service at the least cost by using resources effectively, reducing incidences of fraud, and responding promptly and appropriately to internal and external customer needs. To address this issue, the CDHS will have to focus on several areas, including:

- Improving the efficiency and effectiveness of internal processes
- Applying information technology and the Internet.
- Empowering staff and managers.

Strategic Goals: The CDHS will improve business practices by enhancing its responsiveness to partners and vendors, increasing the effective use of resources, and streamlining and improving the quality of support services to the CDHS staff.

Longer-term Approach: Over the next five years, the Department will accomplish its strategic goals by:

- Streamlining, integrating, and consolidating business practices.
- Implementing a departmental resource planning system.

- Instituting comprehensive programs targeted at creating an atmosphere within the Department of providing superior customer service, respecting each other, and continually improving all aspects of the Department.
- Developing and implementing information technology and Internet-based systems to support business process and transactions.
- Automating internal administrative systems through the CDHS Intranet.
- Using compliance with Health Insurance Portability and Accountability Act as a means to leverage business improvements.

Short-term Objectives: To meet its five-year strategic goals, in the short-term, the CDHS will accomplish the following objectives:

- Identify and document internally developed applications used to support administrative processes that could be shared with other areas within the Department.
- Conduct a business process reengineering study of administrative business practices throughout the Department.
- Streamline the handling of travel requests.
- Establish measurable customer service goals.
- Initiate routine customer satisfaction surveys, and report on performance relative to goals.
- Review the Contract Streamlining Report and the past four years of Internal Audit reports on contracts and contracting functions in an effort to improve the contract process, report back to the Director and Chief Deputy Directors, and develop implementation plans.

Looking Toward the Future

As the CDHS developed its strategic plan and focus for the next five years, it has considered not only its present strengths and weaknesses, but has also incorporated several external challenges it will face over the next five years, including:

- Demographic changes.
- The Health Insurance Portability and Accountability Act of 1996.
- Expansion of managed care programs.
- Healthy People 2010.
- The eGovernment Initiative.
- Bioterrorism Preparedness and Response.

Demographic Changes

In 2000, census figures underscored the increasing diversity of the State of California. According to the U.S. Census 2000:

- 33.9 million people live in the State of California, a 13.6 percent increase since 1990.
- Over the last decade, the White population in California has dropped by nearly half a million while the Hispanic population grew by 35 percent and the Asian/Pacific Islander populations grew by 38.5 percent.
- The African-American population has grown by 6.7 percent since 1990.
- The population within California has begun to shift inland; the fastest growing counties are in the rural Central Valley.

Based on State projections developed by the Department of Finance, over the next several decades, the demographic trends seen between 1990 and 2000 are expected to continue. Given the expected increase in diversity in California's population over the next several decades, the CDHS



and its partners will have to continually strive to increase their cultural competencies.

According to projections by the U.S. Census, between 1995 and 2025, the number of Californians over age 65 will increase 85 percent from 3,463,000 to 6,424,000.1 This expected "graying" of the population will have significant implications for the demands on the health care system, especially long-term care.

In addition, between 1995 and 2025, the number of California teens will increase by 34 percent to approximately six million. Adequate and appropriate prevention and education services will be crucial to ensuring that these teens establish healthy lifestyles.

Health Insurance Portability and Accountability Act of 1996 (HIPAA)²

The Administrative Simplification provisions of the Health Insurance Portability and Accountability Act (HIPAA) required the adoption of national electronic standards for automated transfer of certain health care data between health care payers, plans, and providers. The HIPAA seeks to simplify and encourage the electronic transfer of data by replacing the many nonstandard formats currently used with a single set of electronic standards. With the implementation of HIPAA, Medicaid agencies across the country, including the CDHS, should experience several operational changes:

- Improved data exchange processes.
- Lower operating costs.
- Consistent data for statewide and national analysis and comparisons.
- Streamlined business processes.

While the industry has been receptive to the standards embedded in the HIPAA, there is a general recognition that



¹U.S. Census

² How HIPAA Is Reshaping the Way We Do Business: The Benefits and Challenges of Implementing the Administrative Simplification Standards." Health Care Financing Administration, September 2000.

Looking Toward the Future, continued

Healthy People 2010:

Focus Areas

- Access to quality health services
- Arthritis, osteoporosis, and chronic back conditions
- Cancer
- Chronic kidney disease
- Diabetes
- Disability and secondary conditions
- Educational and community-based programs
- Environmental health
- · Family planning
- Food safety
- Health communication
- · Heart disease and stroke
- HIV
- Immunization and infectious diseases
- Injury and violence prevention
- Maternal, infant and child health
- Medical product safety
- Mental health and mental disorders
- · Nutrition and overweight
- Occupational safety and health
- · Oral health
- Physical activity and fitness
- Public health infrastructure
- Respiratory diseases
- Sexually transmitted diseases
- Substance abuse
- · Tobacco use
- · Vision and hearing

the standards come at some cost. Successful HIPAA implementation is projected to require significant financial and operational investments. The CDHS will need to be prepared to:

- Modify its claims processing, provide payment and utilization control systems.
- Eliminate Medicaid billing codes that are unique to California.
- Improve coordination with providers and payers.
- Effectively address security and privacy issues.
- Manage the stress on human resources and budgets as implementation deadlines approach.
- Develop and implement a comprehensive information systems strategic plan.

Expansion of Managed Care Programs

Nationwide, the federal Medicaid program provides a growing safety net for a broad cross-section of the population. Finding a way to improve the quality of Medicaid services while controlling costs has provided a growing challenge for both federal and state policymakers.

In an effort to improve the quality of care and to control costs, the Medicaid program has moved rapidly in the direction of managed care. Medi-Cal Managed Care has been implemented in California's most populated counties. In 1999, those counties where managed care was available, over 57% of beneficiaries were enrolled in a managed care program; this is an increase of almost 5% since July 1998¹.

Healthy People 2010

Developed by the Department of Health and Human Services, Healthy People 2010 reflects the federal government's vision

¹ Managed Care Annual Statistical Report, March 2000

for "healthy people in healthy communities" across America. It represents a comprehensive, nationwide promotion and disease prevention agenda and is designed to serve as a roadmap for improving the health of all people in the United States. It has two overarching goals:

- Increase quality and years of healthy life.
- Eliminate racial and ethnic health disparities.

The progress of the nation relative to these goals will be monitored through 467 objectives in 28 focus areas (*see sidebar*) and ten leading health indicators. These ten leading health indicators include: physical activity, overweight and obesity, tobacco use, substance abuse, responsible sexual behavior, mental health, injury and violence, environmental quality, immunization, and access to health care.

To effectively use the Healthy People 2010 in its planning and programs, the CDHS will have to consider how to "raise the bar" of the 2010 objectives to address those issues specific to California, including health disparities among subpopulations of California.

Move Toward eGovernment

As part of Governor Davis' initiative to increase access to information and services through the Internet, the CDHS will identify which information and services are most suited for electronic delivery. Four possible areas of consideration, include:

- Medi-Cal Enrollment and Information. In the 1999 survey
 of Medi-Cal beneficiaries, almost three quarters of all
 respondents reported frustration with the enrollment
 process, and the level of required paperwork.
- Procurement. Partners and vendors report concern at the complexity and length of many of the administrative processes within the CDHS. Most of these processes currently are paper-based and are very resource intensive.



Looking Toward the Future, continued

- Provision of technical assistance for local health agencies.
 Many local health agencies do not have the in-house resources available to ensure that they are able to leverage available technology to increase access to information and services via the Internet.
- Distance learning and training. Currently the CDHS provides a large amount of training for staff of local health jurisdictions, health providers, private businesses and its own staff. Much of this training required travel and lost work time. Distance learning technologies using the Internet and information technology may reduce costs and improve the quality and effectiveness of CDHS training activities.

Bioterrorism Preparedness and Response

The September 11, 2001 attacks on the World Trade Center and the Pentagon, coupled with the October 2001 anthrax mailings on the East Coast, present an unprecedented challenge to governmental entities at the federal, state, and local levels. As the lead public health department in California, the CDHS has an important responsibility to prevent, mitigate, investigate, and respond to bioterrorist events, should they occur in our state. The Department responds to incidents of bioterrorism through the Emergency Preparedness Office (EPO), but many other essential departmental resources from the laboratories, disease surveillance and epidemiology, environmental health, licensing and certification of health facilities, and health communications are also intimately involved.

Spurred by a five-year cooperative agreement with the Centers for Disease Control and Prevention, which began in 1999, the Department has initiated key bioterrorism preparedness and response activities. The EPO has mobilized internal departmental resources and formalized mission-critical partnerships with CHHSA and external agencies, including the Governor's Office of Emergency Services, the Emergency Medical Services Authority, and

many other state and local partners. Response plans for bioterrorism surveillance/epidemiolgic activities and for health facilities have also been drafted.

Now, with the expected infusion of federal funds to California in 2002, bioterrorism preparedness will continue to play a central part of the Department's activities. Over the next five years, in addition to response planning and coordination, the Department will take a lead role in: (1) strengthening the public health infrastructure capacity, including laboratory and surveillance capacity, needed to accurately detect, control, and prevent illness and injury resulting from biological and chemical terrorism; (2) managing and distributing funds for local preparedness to ensure a seamless response to potential acts of bioterrorism; and (3) taking steps to ensure rapid and secure communication during such an event.

Appendices

Administration

Administration staff direct an array of central support services to achieve the CDHS program and operations objectives and provide management information and control functions for the Directorate.

Audits and Investigations

Audits and Investigations performs key functions to ensure the fiscal integrity, efficiency, and quality of the CDHS internal and external programs. As part of its mission, Audits and Investigations:

- Promotes sound management of the public funds.
- Performs specific audits of CDHS operations and medical and financial audits of Medi-Cal and public health providers.
- Conducts investigations of suspected violations of Medi-Cal laws and regulations.
- Aggressively recovers public funds spent inefficiently or illegally.
- Uses the insights gained through audit and investigative activities to provide technical assistance to departmental programs and to external organizations working with the CDHS.

Office of Civil Rights

The Office of Civil Rights administers the CDHS' internal equal opportunity programs and its external civil rights program. The Office provides guidance, programs and monitoring systems to ensure:

- Equity and fairness in all aspects of the CDHS personnel management, practices, and policies.
 - Nondiscrimination in the access or delivery of health services provided or administered by the CDHS.



CDHS' Organizational Areas

Health Information and Strategic Planning

Health Information and Strategic Planning is responsible for department-wide initiatives to improve the effectiveness of the CDHS through strategic planning, better health information systems, increased application of epidemiological methods of analysis, strong liaisons with public health organizations and schools of public health, and effective partnerships with local health agencies and professionals. As part of its mission, the Division of Health Information and Strategic Planning:

- Takes the lead in making the CDHS health data systems more integrated, accessible, and useful for policy development and program management.
- Develops uniform health data systems to promote the collection of information on health status outcomes.
- Provides technical assistance and support to local health agencies.
- Organizes strategic planning and special initiatives in support of the CDHS priorities.
- Builds strong relationships with public health organizations and schools of public health.

Information Technology Services

The Information Technology (IT) Services Division provides a full spectrum of IT services and support to the CDHS. These services include:

- The development and implementation of IT policies and standards for the Department.
- Application system design, development and implementation, including Web based, client server and mainframe hosted applications.
- IT planning, project initiation and oversight.
- Infrastructure products support and deployment including wide-area and local area networks, servers, PC's, Internet, and Extranet.

Appendix A: Description of the

- Database design, implementation, and production support.
- Application systems maintenance and operation.
- Business process improvement and reengineering.
- Control agency liaison (e.g., Departments of General Services, Finance, and Information Technology; Legislative Analyst, etc.).
- Security oversight, policy implementation, incident reporting, and investigation.
- Monitoring, evaluating, and reporting on technology industry trends.

Office of Legal Services

The Office of Legal Services counsels and advises the Director and program managers on legal matters affecting the CDHS. The Office aids in policy implementation and anticipates and advises on approaches to reduce potential sources of conflict. In litigation, the Office of Legal Services coordinates with the Office of the Attorney General in developing and advocating the CDHS position.

Legislative and Governmental Affairs

Legislative and Governmental Affairs facilitates, coordinates, and advocates for the development and enactment of legislation in the interest of public health. The Office:

- Articulates the CDHS and Administration policies to the Legislature, in coordination with the Health and Human Services Agency and the Governor.
- Monitors federal policies and programs to ensure that the interests of the State are communicated and considered.
- Provides consultative and technical assistance to the CDHS programs and the public.
- Ensures that the CDHS bill analyses provide a sound basis for effective legislative advocacy.

CDHS' Organizational Areas, continued

Licensing and Certification

Licensing and Certification promotes the highest quality of medical care in community settings and facilities. Licensing and Certification conducts five major activities that impact health care and the financial climate in California. They are:

- Licensing 30 different types of health care facilities and providers (a total of over 6,000) so that they can legally do business in California.
- Certifying to the federal government health care facilities and providers that are eligible for payments under the Medicare and Medicaid (Medi-Cal) programs.
- Accepting and investigating over 11,000 complaints each year regarding concerns expressed about care provided by these health facilities and providers.
- Certifying that over 400,000 nurse assistants, home health aides and hemodialysis technicians can provide specific services; and approving training programs for these health care worker categories.
- Providing consumer education and provider education to improve the quality of health care.

Office of Long-Term Care

The mission of the Office of Long-Term Care is to:

- Provide leadership and a public focal point for long-term care projects within the CDHS.
- Coordinate outreach to foundations and community organizations on long-term care issues.
- Launch and oversee long-term care initiatives, with a special emphasis on innovation and improvement through a proactive public-private partnership strategy.



Medical Care Services

Medical Care Services is responsible for the overall coordination and direction of health care delivery systems supported by the CDHS. Medical Care Services directly operates California's Medicaid program (Medi-Cal) and the program's eligibility, scope of benefits, reimbursement, and other related components. Medical Care Services is responsible for the Department's fiscal intermediary contract which pays claims for programs operated by Primary Care and Family Health, and Prevention Services. Medical Care Services manages medical services in a fiscally prudent manner by developing partnerships with providers and medical service organizations, and encouraging comprehensive, organized health care delivery systems. As part of its mission, Medical Care Services will:

- Promote equitable access to high-quality medical care for low-income and uninsured Californians.
- Manage available funds in a fiscally prudent manner to maximize the State's purchasing power.
- Further expand organized health care delivery through managed care systems emphasizing primary care and clinical preventive services.
- Develop "client friendly" systems by creating uniform entry systems and eliminating unnecessary categorical barriers.
- Seek and develop culturally appropriate health care systems.

CDHS' Organizational Areas, continued

Medi-Cal Fraud Prevention Bureau

Governor Davis signed legislation in 1999 to create the State's first Medi-Cal Fraud Prevention Bureau (McFPB) within the CDHS.

The McFPB's eighteen civil Fraud Prevention Specialists implement a three-step *Focus on Fraud* approach to fraud prevention:

- 1. Brief on-site risk assessment survey of each health care provider's business to detect systemic and historic fraud indicators or fraud flashers.
- 2. Prompt follow-up review of high-risk provider business records to document actual evidence of fraud and necessary criminal intent (as opposed to compliance or honest error).
- 3. Immediate application of administrative sanctions when reliable evidence of fraud is documented, including withholding of all payments and referral for criminal prosecution.

McFPB also utilizes a monitoring of the business practices of all new providers entering the Medi-Cal program. This process consists of:

- On-site inspections of the facilities and documentation of the Business Practice Representations, which includes an estimated monthly Medi-Cal claim volume.
- Loading the information into a database for subsequent analysis against actual claimed dollars.
- Prompt follow-up reviews on discrepancies to ascertain the cause and deter potential fraud.



Office of Multicultural Health

The Office of Multicultural Health serves as the focal point within the CDHS for improved planning and coordination of activities and programs that serve racial and ethnic populations in California. The Office of Multicultural Health is dedicated to improving the health status of California's diverse populations. It has five principle functions:

- Strategic planning to implement and achieve the Department's goals and objectives. Using data developed by the Center for Health Statistics and other sources, the Office of Multicultural Health monitors gaps in health status and assists the CDHS programs to develop strategies for reducing those gaps.
- Policy analysis on health issues related to California's diverse populations. The Office of Multicultural Health analyzes legislation and policies from the perspective of their impact on California's ethnic and racial populations and advises the Director on policy issues important to California's diverse communities, such as the Medi-Cal Managed Care Program.
- Communication and liaison with internal and external groups. The Office facilitates communication related to multicultural health between the CDHS programs and California's ethnic and racial communities by collecting and disseminating information about health needs, cultural patterns and institutions, and resources of ethnic and racial communities.
- Training and technical assistance. The Office sponsors cultural competency training for and provides technical assistance to the CDHS programs.



CDHS' Organizational Areas, continued

 Identification and assistance in obtaining funds for related health issues. The Office identifies sources of funding for support of its objectives. It also gathers information on available funding sources and opportunities for the CDHS programs to improve the effectiveness of services to ethnic and racial communities.

Prevention Services

The mission of Prevention Services is to prevent disease and premature death and to enhance the health and well-being of all Californians. The foundation of this mission is composed of community-based primary and secondary prevention activities targeted to measurable improvements in community health, and the commitment to scientific excellence. Prevention Services will continue to be a national leader in the areas of epidemiology, laboratory science, and prevention science. Prevention Services fulfills its mission through its ten divisions:

- · Laboratory Science
- Border Health
- Clinical Preventive Medicine
- Chronic Disease and Injury Control
- Communicable Disease Control
- Drinking Water and Environmental Management
- Environmental and Occupational Disease Control
- Food, Drug and Radiation Safety
- AIDS
- Emergency Preparedness

Primary Care and Family Health

Primary Care and Family Health ensures access to comprehensive and coordinated family-centered primary care services for low-income women, infants, children, and families to achieve positive measurable health outcomes. With expanded access to high quality, appropriate services as its foremost goal, Primary Care and Family Health:

- Defines the scope of primary care and family health services and benefits, and works with providers to develop medical standards for these services.
- Integrates and consolidates existing categorical programs into seamless community-based systems of care.
- Strengthens the ability of local providers to deliver comprehensive, preventive family health services appropriate to the State's diverse population.
- Develops and coordinates culturally competent services, case management, and client outreach programs.
- With Health Information and Strategic Planning, develops and coordinates community needs assessment and health surveillance activities, including a system to track children's health status.

Office of Public Affairs

The mission of the Office of Public Affairs is to communicate the substance and importance of public health programs and to create a broad base of public and professional support. Among other duties, the Deputy Director of Public Affairs oversees two distinctive offices:

• The Public Information Office is the department's principal liaison to the news media to communicate policy positions, to inform the public, shape public opinion, and mobilize support for the CDHS activities. The Office serves as a source of accurate health information on issues that affect the public's health and well-being.

CDHS' Organizational Areas, continued

 The Public Education Office is the principal liaison for the Department's outreach and education programs. The Office works with campaign program and contract staff to develop and implement overall outreach strategy, effective general and ethnic media campaign ads and materials, community relations, press events and other activities geared to communicate the CDHS' health and prevention messages to the public.

Office of Women's Health

The Office of Women's Health works to guide women's health policy in a positive, comprehensive way to promote health and reduce the burden of preventable disease among the women of California. The Office of Women's Health provides a variety of services within the CDHS and to other state and local organizations. The primary activities of the Office include:

- Develop a framework for women's health policy and programs that reflects the current research on the health status of women in California and is representative of the needs of women and girls throughout the state.
- Enhance policy and resource development among the various CDHS programs through facilitating communication, providing technical assistance on program and policy development, and facilitating communication among the various state departments and programs, local health departments, and community organizations.
- Support and coordinate the activities of the Women's Health Council.
- Facilitate and coordinate an assessment of women's health programs within the CDHS in order to identify duplication or gaps in services, and to identify key health needs of women.
- Convey information on women's health resources and organizations to policy makers and the general public.
- · Conduct the California Women's Health Survey.

